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IN THE

Supreme Court of the United States

OCTOBER TERM—1959

No. 486

JOSEPH SCHREIBER and DAVID GOLDBERG, individually and as partners trading as SCHREIBER & GOLDBERG,

Petitioners,

v.

AMERICAN SAFETY TABLE COMPANY, INC.,

Respondent.

PETITIONERS' REPLY BRIEF

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I

Respondent's brief avoids all mention of the prior art patents. It does not dispute, as found by the majority of the Court of Appeals, that the use of the double pivot and leaf springs was old and that McAuley applied parallel pressure to the tip of the point of the collar, nor is there a denial as pointed out by the petitioners that Voigt merely extended parallel pressure to the full point of the collar.

There is no contradiction in respondent's brief of petitioners' contention as further pointed out in the dissent by Chief Judge Clark that whatever commercial success was enjoyed by respondent was due entirely to the non-patented, double-point features of the machine. The respondent while quoting from the majority opinion that

the Voigt patent solved a "problem that vexed the industry" failed to answer the charge by petitioners that the record was devoid of any proof either that the industry was vexed by this problem or that Voigt contributed to its solution. Respondent on several occasions has resorted to the record and quoted from the testimony in support of other points it raised. In this respect, respondent cannot point to anything in the record which supports the finding by the majority of the Court of Appeals.

Shorn of all the embellishments, the invention of Voigt consisted of no more than applying the well-known principle of flat or parallel pressure to the pressing of a part of a garment. Beattie, McAuley and McTague all employed the same principle. This has been in use for years in the Hoffman pressing machines used in the pressing of men's coats and trousers. An illustration of this machine, DX-BM, is found on page 693 of the Appendix to Defendant-Appellant's Brief, Vol. 2, Exhibits. Respondent urges that the court below applied "the general principles of the settled law as to invention" in determining the validity of the Voigt patent. The dissenting opinion of Chief Judge Clark refutes this assertion, for he clearly differs with the standard of invention used by the majority. In the District Court, respondent urged that a more lenient test of invention be applied as set forth in the *Bausch & Lomb* case. It argued that such standards should be accepted, further adding, "It is to be noted that in the Bausch & Lomb case the Supreme Court denied petition for writ of certiorari (350 U. S. 911), and also petition for rehearing (350 U. S. 955)." Before the Court of Appeals, the respondent further urged, "We submit that the Voigt patent here in suit satifies in all respects the test for validity set forth by Judge Hand in the Bausch & Lomb case, supra."[1]

1. Reply Brief and Answering Brief of Plaintiff-Appellant, page 45.

The position taken by the petitioners both in the District Court and on appeal was that the standard of invention set forth in the *Cuno Corp.*, the *A. & P.* case and recent decisions by the Second Court of Appeals following the *A. & P.* case, cited by Chief Judge Clark as part of footnote 6 on page 52a of Appendix A, was the proper test to be applied. Respondent's statement on page 8 of its Brief that "The first reference ever made by petitioners to the *A. & P.* case was in their denied petition to the court below for rehearing" is erroneous, and respondent forgets that in its reply brief to the District Court it stated, at page 89: "The defendants (petitioners here) have also quoted passages from Supreme Court cases, one from that of *Cuno v. Automatic Devices Corp.*, 314 U. S. 84, to the effect that improvements are not necessarily inventions; and another from that of *Great Atlantic & Pacific Tea Co. v. Supermarket Corporation*, 340 U. S. 147, to the effect that an assembly of old elements producing no new or unusual results lacks invention."

Respondent urges that the petition should be denied because the patent has expired and the case is not of sufficient importance to consume the time and effort of this Court. That was not the reaction of the Court of Appeals wherein the majority and minority of the Court took eight months, from October, 1958, to June, 1959, to consider and decide the appeal below and to sharply differ as to the proper standard of invention to be applied and the results.

Respondent does not deny that differences of opinion exist between the various Circuits and among the judges of the Second Circuit as to the proper test of invention to be applied since the enactment of the Patent Act of 1952. A further difference of opinion has now arisen in the Sixth Circuit in the case of *National Latex Products Company v. The Sun Rubber Company*, 123 U.S.P.Q. 279, 294, 295) wherein Judge McAllister differed from his col-

leagues and voted to invalidate the patents in suit, stating: "In the years before the Supreme Court decision in the *Great Atlantic and Pacific Tea Co. case*, the determination of this court in the instant case would probably be unanimous, to sustain the judgment of the District Court. In the light of that decision, I am of the opinion that the patents are invalid."

The decision by the majority of the lower Court, which held this obvious and well-known device to be patentable has been held up as an example of the proper test of invention prescribed by the enactment of the new statute. It was so referred to in the cases of *Stoffel Seal Corp.* v. *E. J. Brooks Company*, No. 361, and *Bernard Glagovsky* v. *Bowcraft Trimming Co., et al.*, No. 369, in petitions for writs of certiorari filed during the October 1959 term of this Court. While this Court's denial of the petitions in these cases may be inferred by the Bench and Bar to constitute an approval of the decisions by their respective Courts of Appeals, an affirmative pronouncement by this Court as to the proper test of inventions is nevertheless necessary. Unless a review is granted in this case, the confusion heretofore existing will continue because the standard of invention applied by the majority of the court below is directly opposite to that used in the *Stoffel Seal* and *Glagovsky* cases to invalidate the patents there. The granting of this petition for a review of the Court's finding of validity is of utmost importance not only to the petitioners, who are faced with costly and long drawn-out accounting proceedings as well as the saddling of enormous counsel fees, but to the Bench and Bar as well who have been seeking a pronouncement from this Court.

II.

In urging denial of the writ in respect to the unfair competition phase of the action, the respondent stresses the fact that for nineteen years prior to the defendant-

appellants' manufacture of their machines, it had the field to itself and that the petitioners in 1952 deliberately made Chinese copies of both the patented and unpatented features of the machines. Respondent does not dispute the fact that throughout the years of their manufacture, petitioners at all times marked the machines with their name-plates, included their initials on the cast parts and identified the machines in the invoices as of their manufacture. Respondent again refers to the majority's opinion that confusion existed without citing one instance in the entire record where anyone purchased a machine or replacement part from the petitioners in the belief that the purchaser was acquiring the machine or part of the respondent. In fact, respondent makes no denial of its own statement found in footnote 11 on page 14 of the petition that confusion as to source was impossible. Respondent's entire claim rests on the early copying of its machines and parts in 1952, one instance where petitioners' name was omitted from an advertisement of their machine in 1953, and two advertisements in 1954 which listed respondent's sales agents who also sold petitioners' goods in advertisements illustrating products manufactured by petitioners. Respondent quotes at length from the testimony that petitioners used its leaf springs. The Court of Appeals found that in September 1952 before the start of this suit petitioners substituted its cross bar for the springs. Appendix A page 13a. All of these charges were found by the Trial Court, after lengthy consideration of the evidence, to be unactionable.

But even if it be assumed that the majority of the Court was correct in its findings in those respects, such findings did not warrant the granting of the harsh relief directed by its decision. The respondent supports the directive of the majority of the Court that the petitioners be permanently restrained from manufacturing machines

and parts similar to those of respondent and to account for their sales. Although petitioners have reasonably and adequately identified their machines and parts respondent does not deem that sufficient. Petitioners must now alter the slant of the table, the feature which Voigt copied from McTague (see DX-J, page 686, Appendix to Defendant-Appellants' Brief, Vol. 2). Petitioners, as respondent interprets the Court's directive, must also change the form of the yoke, the design of the foot pedals and pressure shoes, all of which are functional parts of the machines and were not even covered by the claims of the Voigt patents. The reason for this is clear: By compelling a change in the structure, the machines and parts become inoperable and prevent the petitioners from selling these parts as replacements for use on machines purchased from the respondent. In this manner, respondent can indefinitely continue the monopoly it enjoyed for nineteen years. Respondent does not dispute the fact, as found by both the majority and minority of the lower court that petitioners were its only competitor in this field. Nor does respondent deny that respondent's own customers, unsolicited, purchased machines and replacements from the petitioners solely because their prices were more reasonable and because of the credits allowed for used parts. With petitioners eliminated as competitors, respondent's complete monopoly in this field will continue forever.

The authorities cited by the respondent in support of its contention that in spite of the expiration of the patent, an injunction against further manufacture of the machines and parts is proper, simply do not stand for that proposition. In the case of *Singer Manufacturing Co.* v. *June Manufacturing Co.*, 163 U. S. 169, this Court specifically stated:

> "• • • It follows as a matter of course that on the termination of the patent there passes to the public the right to make the machine in the form in which

> it was constructed during the patent. We may, therefore, dismiss without further comment the complaint, as to the form in which the defendant made his machines."

In the case of *Kellogg Company* v. *National Biscuit Company*, 305 U. S. 111, decided by this Court in 1938, Mr. Justice Brandeis, writing for the Court, not only repeated the foregoing quote from the *Singer* case, but went on to more emphatically declare it as established law that upon the expiration of the patent, "Kellogg Company was free to use the pillow-shaped form, subject only to the obligation to identify its product lest it be taken for that of the plaintiff."

Until the decision by the majority of the court below in this case, Mr. Justice Brandeis' opinion has been accepted by the Bench and Bar as settled law. The decision of the court below, as Chief Judge Clark pointed out in his dissent, constitutes a complete departure from what has heretofore been accepted as an established principle in the law of unfair competition.

The decision in this case has resulted in widespread comment and discussion among members of the Bar and is referred to in footnote 455 of a progress report entitled, "The Twelfth Year of Administration of the Lanham Trade Mark Act of 1946" submitted by Walter D. Derenberg, Esq., at the annual convention of the American Bar Association held August 24, 1959, in Miami Beach, Florida. This report was published by the Bureau of National Affairs, Inc., and was distributed to the profession as part of Volume 122, U.S.P.Q. 10, Part 2.

The decision of the majority of the lower court which, in effect, eliminates all competition in double point collar pressing machines is contrary to prior decisions of this

Court and unless reversed by a review of this Court will be accepted by the Bench and Bar as a new theory for granting permanent injunctions in unfair competition actions.

It is, therefore, respectfully submitted that the petition for writ of certiorari should be granted.

Respectfully submitted,

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November 17, 1959.